DENVER ECONOMIC DEVELOPMENT & OPPORTUNITY

Covid-19 Economic Relief— Progress Report
AUGUST 2020
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BACKGROUND

The COVID-19 Coronavirus pandemic caused an immediate and rapid impact on Denver’s residents, workers, and businesses. The Denver unemployment rate reached an all-time high of 13.2% in May 2020, and in June the National Bureau of Economic Research declared that the U.S. had officially entered into a recession in February of 2020. Businesses of all types and sizes reported impacts ranging from disruption to business operations and reduced hours to full closures, significantly impacting their revenue.

Denver Economic Development & Opportunity (DEDO) and many city agencies have played a significant role in providing urgent economic relief to the community since the onset of the pandemic, in collaboration with the Mayor’s Economic Relief & Recovery Council and the city’s Long Term Recovery Committee.

To date, through DEDO, $11.8 million of urgent relief has been allocated or in the process of being distributed to small businesses and nonprofits in Denver, with many other initiatives in the works that will help eliminate barriers, streamline processes, and support the community in the midst of the crisis and moving toward recovery.

Throughout 2020 and beyond, our work will continue to focus on stability and long-term recovery of Denver’s economy by providing equitable opportunities to residents and businesses in the city’s most under-resourced neighborhoods, bolstering support for small, minority, and women-owned businesses, while deploying traditional economic development tactics, to help rebuild and reinforce the city’s tax base.
PURPOSE

The intent of this report is to provide a summary of Denver Economic Development & Opportunity’s COVID-19 economic relief efforts to date.

The work reflected in this document represents the collaboration and collective action across city agencies, and with guidance of the Mayor’s Economic Relief & Recovery Council (details to follow).

Participating city agencies include:

- Mayor’s Office
- Denver Economic Development & Opportunity
- Arts & Venues
- City Attorney’s Office
- Community Planning & Development
- Denver International Airport
- Department of Finance
- Department of Housing Stabilization
- Department of Parks & Rec
- Department of Public Health & Environment
- Denver Public Library
- Department of Transportation & Infrastructure
- Excise & Licenses
- Human Rights & Community Partnerships
- Office of Special Events
ABOUT THE DENVER ECONOMIC RELIEF & RECOVERY COUNCIL (ERRC)

Developed in April 2020, the Denver Economic Relief & Recovery Council (ERRC) is an advisory group providing strategic recommendations to Mayor Michael B. Hancock and the city’s executive leadership on how to mitigate further negative economic impacts of COVID-19.

ERRC MISSION

In response to the economic impacts of the COVID-19 pandemic, the Denver Economic Relief & Recovery Council (ERRC) will assist in the relief and recovery of Denver’s economy by coordinating public and private efforts to assist businesses, nonprofits, employers, and workers during and after the COVID-19 pandemic.

ERRC VISION

Our vision is that the City & County of Denver’s economy emerges from the COVID-19 pandemic stronger than it was before.

ERRC VALUES

☑ Members of Denver’s Economic Relief & Recovery (ERRC) shall work fairly and equitably to ensure accountability to all residents and businesses in Denver.
☑ We must come together as a community and create common goals amongst the public, private, and nonprofit sectors.
☑ We must take care of the most vulnerable first. Equity is a unifying theme through everything we do.
☑ We must provide bold leadership, and innovative solutions.
☑ And, together, we will solidify Denver as the most equitable, progressive, modern city in the world.
The ERRC is comprised of more than 100 business and community leaders, who bring subject-matter expertise from across industries and neighborhoods. A complete list of members is available online.

**ERRC LEADERSHIP**

Mayor Michael B. Hancock

**ERRC Chair:**
Lori Davis, Grant Thornton Managing Partner—Denver Office

**ERRC Executive Sponsor:**
Eric Hiraga, Executive Director, Denver Economic Development & Opportunity

**COMMITTEE CHAIRS**

**Restaurant, Entertainment, Arts, Culture, Hospitality (REACH)**
Janice Sinden, President & CEO, Denver Center for the Performing Arts
Walter Isenberg, Co-Founder, President & CEO, Sage Hospitality

Restaurant Sub-Committee Co-Chairs:
Sonia Riggs, Colorado Restaurant Association and Katie Lazor, EAT Denver

**Construction and Development**
Amy Cara, Managing Partner, East West Partners
Mowa Haile, President & CEO, Sky Blue Builders
Small and Medium Businesses/Back in Business
Denise Burgess, President & CEO, Burgess Services, Inc.
Andy Feinstein, CEO & Managing Partner, EXDO Development

*Includes: Microbusiness Equity and Buy Local Subcommittees*

Large Employers and Anchor Institutions
Raju Patel, Market President, Bank of America
Trini Rodriguez, Managing Director—Public Finance, D.A. Davidson & CO

*Includes: Digital Divide, Quality Jobs, and Cyclovia Subcommittees*

Strategic Partners
Christine Benero, President & CEO, Mile High United Way
Fran Campbell, President & CEO, Colorado Asian Chamber

Business Improvement District Subcommittee Co-Chairs:
Frank Locantore, Colfax Ave BID
Cindy Ambs, Denver Street Partnership

*The role of the Strategic Partners Committee is to ensure that decision making processes and practices consider and implement opportunities for diversity of vendors and participants, equity and inclusion throughout all programming, and access for all participants.*

On the following pages,  denotes ERRC recommended and/or provided program support/outreach
At the onset of the Covid-19 pandemic, the city approached the impending economic crisis by leveraging every dollar possible to provide immediate and urgent relief to Denver’s vulnerable small businesses and nonprofits. Our initial strategy was to take a phased approach from urgent relief, to stabilization, to recovery.

As it became apparent that the public health crisis was both unpredictable and potentially long-term, these “phases” and recommendations within have been developed concurrently.

Depending on the duration and severity of the crisis, we may, for example need to continue to provide urgent relief as we develop and implement stabilization and recovery strategies.

The following pages outline the initial goals we set for each phase, and progress to date.

March 2020 >>>>>>>>>>>>>>>>>>continue as needed/available funds>>>>>>>>>>>>>>>>>>>

PHASE 1 FOCUS: URGENT RELIEF

April 2020 planning began >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>

PHASE 2 FOCUS: STABILIZATION

Planning to begin August 2020 >>>>>>>>

PHASE 3 FOCUS: RECOVERY
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE 1 FOCUS: URGENT RELIEF

✓ Provide immediate support to the most vulnerable businesses and employees with existing resources
✓ Identify regional and federal relief resources available for Denver’s small businesses
✓ Assess impact on workforce and need for re-skilling/re-training
✓ Create roadmap to identify most urgent needs among businesses
✓ Eliminate red tape to create more efficient regulatory review
✓ Identify where the city can fill social service gaps
✓ Collaborate with regional and federal partners
✓ Collect and analyze data to better understand the localized impacts of COVID-19

URGENT RELIEF - $11.8M SPENDING TO DATE (DEDO ONLY)

✓ Nonprofit Emergency Relief Fund Grant Program: $2M TOTAL
  $500k spent to date, 57 orgs granted in Round 1 (Rounds 2/3 in Aug/Sept)
✓ PPE for Small Businesses/Nonprofits: $1.5M TOTAL
  Approx. 4,500 kits will be sent to businesses beginning week of 8/21
✓ Small Business Emergency Relief Fund Grant Program: $7.3M TOTAL
  $3.5M General Fund, $3.4M Coronavirus Relief Fund (Federal), and $390k Downtown Denver Partnership Fund
  ~1,100 small businesses received grants
✓ Priority Neighborhood Small Business Fund Grant Program $1M TOTAL
  (launched week of August 10, 2020)

Totals to date, and do not include Coronavirus Relief Funds (CRF), Round 2. Totals include administrative fees where applicable. Includes DEDO spend /programs only.
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE I OUTCOMES: URGENT RELIEF

Development of the Economic Relief & Recovery Council
Launched April 2020
Five Committees Formed + Several sub-committees
120+ community members
14+ City Agencies engaged
35+ Recommendations
(details to follow)

Nonprofit Emergency Relief Fund Grants
Launched June 16, 2020
~200 grants to be awarded in three tranches
$2M total
Grants up to $15k per organization
(details in appendix)

Small Business Emergency Relief Fund Grants
Launched March 19, 2020
~1,000 grants awarded | $7.3M
Grants up to $7.5k per business
(details in appendix)

I just wanted to thank you again for your assistance with the process in the city selecting business grant applicants and awarding the grants. I was selected and received the grant last week. I am forever grateful for your support and quick responses. It was a VERY scary time for small business owners.....now I see a light at the end of the tunnel! - Laurie, local salon

PPE Kits for Small Businesses/Nonprofits
Launched August 3, 2020
4,000+ free kits to be provided
$1.5M

Business Loan Deferments
14 Deferments
$30k in monthly payments deferred on current small business loans

Re-established Quasi-Judicial Hearings and Public Meetings
Implemented for development projects to allow for public input while social distancing

Conduct Sector-Specific Town Halls
Town halls and calls conducted with restaurants, microbusinesses, gyms and studios, music venues, cultural nonprofits, and financial institutions, and grocers

ERRC recommended and/or provided program
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE I OUTCOMES: URGENT RELIEF

Thank you Alison and the City and County of Denver employment team. You are really providing many helpful resources to many in such an unprecedented time. It’s clear to me that you are doing all you can and making Denver shine in the spotlight. I’m proud to live in such a great city and state, which my family and I call home. Thank you from the bottom of my heart for your efforts to help others.” - Local food sales and distribution company

Virtual Workforce Services
Helped 4,000 individuals, 1,000 businesses through 160 events in March—June through virtual job fairs and 1:1 coaching
Reopened Workforce Centers on July 15, 2020 (by appt only)

Outdoor Expansion for Restaurants
Launched program on March 18 to allow for restaurants to expand outdoors
To date, 318 approved expansions (93% of applications) 9 street closures, 2 communal dining areas
Program extended to 10/31/20

“IT’S A GAME-CHANGER. IT TAKES US FROM ‘IS IT WORTH IT TO REOPEN?’ TO ‘HECK, YEAH, LET’S REOPEN,’” SAID VRKAS, WHO’S BROUGHT BACK ALL 25 OF HER WORKERS IN ANTICIPATION OF HER RECEIVING HER VARIANCE IN TIME FOR HER REOPENING TODAY. “IT’S A LIGHT AT THE END OF THE TUNNEL. IT SHOWS THAT THE CITY IS BEHIND US AND HAS OUR BACK.”

- Paula, owner of Broadway Roxy (from Denver Business Journal article “‘IT’S A GAME-CHANGER:’ HOW DENVER-AREA RESTAURANTS ARE PREPARING FOR EXPANSION ONTO SIDEWALKS, ALLEYS’

Venue, Concert Hall, Event Reopening Guidelines
Developed with industry input to provide guidance on how to safely reopen various event spaces

ERRC recommended and/or provided program support/outreach
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE I OUTCOMES: URGENT RELIEF

Allow gyms/fitness studios to expand classes outdoors
Fees waived for private outdoor fee-based activity permits

Colorado Artist Relief Fund
Grants of up to $1,000 to individual Colorado artists whose incomes are being adversely affected due to cancellation of events, classes, performances, and other creative work. Made possible through Denver Arts & Venues, the Andy Warhol Foundation for the Visual Arts, Colorado Creative Industries, Colorado Music Relief Fund, and RedLine Contemporary Art Center. To date, 755 Colorado artists have received funding, 458 live in Denver.

Late Fee and Penalties Waved by the City
Waived 100% of interest associated with the late payment of property taxes through October 1, 2020 following the State Legislature’s passage of House Bill 20-1421
Extended the 2020 Personal Property Declaration filing deadline for businesses
Waived the 15% penalty for late payment of February, March, and April sales, use, and occupational privilege taxes

Guidance for Businesses
Collaborated with the city’s Joint Information Center, Denver Department of Public Health and Environment, and City Attorney’s Office to develop comprehensive guide to reopening guidelines in alignment with the State Ordinances and City variances.

Variance Requests
Received variances from state public health order for Denver Zoo, Botanic Gardens, Cherry Creek Mall, restaurants, gyms, music hall capacity

I am incredibly thankful that you have this fund. Every one of my friends who works in a creative industry is suffering right now. Performances are cancelled left and right and businesses are not looking to hire gig workers.— grant recipient

With the frequency of changes, and translation capabilities online this information is currently being updated on denvergov.org

Conduct Virtual Inspections
As appropriate to expedite permitting processes

ERRC recommended and/or provided program support/outreach
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE I OUTCOMES: URGENT RELIEF

Community Survey & Data Collection
8,000 surveys emailed
1,077 respondents
Monthly pulse surveys now being conducted with smaller sample

Survey Highlights (See appendix for more detail)

✓ 95% of the respondents were representing small/microbusinesses

✓ Top Financial/Economic Concerns of Denver business owners:
   1. Operational Costs (lease, overhead costs, etc.)
   2. Revenue (change in demand, consumer confidence)
   3. Payroll Costs

✓ Top Health Concerns of Employers:
   1. Implementing social distancing
   2. Access to PPE
   3. Navigating local, state, and federal health mandates

✓ Businessowners’ top workforce concerns:
   1. Employee sense of safety
   2. Retraining the workforce on health and safety guidelines
   3. Layoffs and hiring

Important to note that 60% of respondents said less than 20% of their workforce could work remotely
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE 2 FOCUS: STABILIZATION

☑️ Develop business stabilization strategies with a focus on resiliency and equity to support small businesses and industries most impacted

☑️ Explore more robust and long-lasting re-training and re-skilling efforts for those portions of the workforce most affected by the COVID-19 crisis

☑️ Offer new, affordable technical services to build and maintain the health and resiliency of our small businesses

☑️ Contingency planning for another economic/public health emergency

☑️ Leveraging new Coronavirus Relief Fund dollars and other Federal supports

☑️ Focus on city infrastructure projects and counter-cyclical investments to improve public infrastructure

☑️ Continue to analyze data collected from the small business community to inform development of tools and resources that best fit the needs of businesses and employees

☑️ Better understand the long-term socioeconomic impacts of the COVID-19 impact, and strategize targeted relief to build stronger businesses and communities
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE 2 PLANNING: STABILIZATION

The following ideas are currently being planned or explored.

Developing a “Good Jobs” strategy
- Define and assess quality of jobs in Denver
- Provide support and programming to help employers improve job quality
- Map career pathways and provide upskilling opportunities
- Create recognition program to celebrate employers with quality job

Identifying Shovel Ready Public Infrastructure Projects
That can quickly be moved into the construction phase

Clarifying and Streamlining Large Development Review (LDR) Process
To ensure consistency and clarity for all involved

Providing Technical Support to Small Businesses and Nonprofits
By partnering with service providers to provide capacity building and technical support

Support/Launch 5280 Trail Cyclovia
To activate commercial corridors, support small businesses, and promote wellness in an outdoor, socially distant manner

Improving City Prompt Pay
To allow for more cash flow for contractors working with the city

ERRC recommended and/or provided program support/outreach
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE 3 FOCUS: RECOVERY

☑ Develop strategies to drive traffic back to businesses as we reopen the economy
☑ Collaborate with partners on how to safely get people back to work
☑ Develop long-term, sustainable economic recovery strategies in response to anticipated recessionary trends throughout the local, national, and global economies

☑ May include modernizing infrastructure, assisting companies with supply chain challenges, creating additional shovel-ready jobs, and informing the creation of longer-term workforce development programs and partnerships to meet industry need

☑ Continue to enact affordable housing strategies
☑ Continue to develop and implement Good Jobs strategies with local employers and industry partners
☑ Take into consideration the structural economic and social changes brought on by the COVID-19 crisis. Develop new knowledge about resiliency in both industry and in the macroeconomic atmosphere, and apply it to build out a new, long-term economic development strategy that will meet the new needs of employers and employees
PHASED APPROACH TO ECONOMIC RELIEF & RECOVERY

PHASE 3 PLANNING: RECOVERY

The following ideas are currently being planned or explored.

- **Launch city pilot to expedite affordable housing projects**
  Through site planning and permit review processes

- **Develop a marketing campaign to support local businesses—shop/buy/eat/experience**
  with ERRC providing advisory support and message amplification to the citywide marketing efforts

- **Develop Digital Equity Plan**
  To ensure equitable access and training; partnership between public and private sectors

- **Develop a green jobs strategy**
  Create and connect residents to good jobs in this emerging industry sector; lower families’ utility costs, and begin to correct the health and environmental injustices in our communities impacted the most

- **Develop a long-term economic recovery and stabilization strategy for the next one to three years**

  DEDO is currently developing a strategy focusing on:
  - Inclusive, equitable recovery and growth
  - Good jobs and green jobs strategies
  - Workforce training and retraining
  - Business attraction and retention

ERRC recommended and/or provided program support/outreach
DENVER ECONOMIC RELIEF & RECOVERY COUNCIL

NEXT STEPS

☑ Continue to strengthen the new partnerships and coalitions developed over the last four months
☑ Institutionalize immediate relief/community support plan in the event of a resurgence / roll back
☑ Economic Relief & Recovery Council (ERRC) work continues, focusing on mid-to-long term recommendations and provides two-way feedback loop with public/private sectors
☑ City to continue to provide urgent relief programs, as federal funds are available
☑ DEDO leading effort to develop a mid-to-long term equity-focused economic recovery strategy (getting residents back to work, stabilizing small businesses and nonprofits etc.
☑ The work of the ERR, DEDO and other agencies continues to be integrated into the city’s Long Term Recovery Committee
☐ Survey Data
☐ Small Business Emergency Relief Fund Grant Data
☐ Nonprofit Emergency Relief Fund Grant Data
Since May 2020, DEDO has been sending surveys to Denver-based business owners to better gauge sentiment and understand real-time needs of the community. Over the coming months, DEDO will continue to send out the surveys to continue to monitor conditions and collect feedback. Below are major findings from the first two surveys.

- Distributed in mid-May, 2020 to approximately 8,000 businesses; 1,077 responses
- ~60% of the respondents were from minority-owned, women-owned, or minority and woman-owned businesses. Nearly 95% of participants were businesses that had fewer than 50 employees
- 1.5% of businesses surveyed said they were permanently closed – and 75% of those closed firms were minority and/or woman-owned
- The top financial/economic concern for firms at the time were operational costs; the top health concern for businesses was social distancing; and the top workforce concern was employee sense of safety
- 60% of respondents said less than 20% of their workforce could, at the time, work remotely
APPENDIX

SURVEY DATA — CONT’D

SURVEY 2

☑ Pulse survey encompassing businesses who opted into monthly survey check-ins (mid-June)
☑ 188 respondents; 42% identified as woman-owned, and 9% identified as minority-owned
☑ Participants’ 2020 revenue-to-date was, on average, 45% of their year-to-date revenue in 2019
☑ Nearly 70% of respondents said it will take more than 12 weeks to get their operations back to pre-COVID levels (i.e., full employment, fully operational)
☑ Businesses’ top operations concerns across all industries were Financial (67%), followed by Consumer Sentiment (22.3%)
☑ Almost 90% of respondents have received some kind of third-party financial support
☑ 66% of participants said cash grants for payroll and fixed costs would be the most pivotal support they could receive for short-term operations

Number of Weeks Anticipated by Respondent Businesses to return to Pre-COVID Operations

Respondents’ Most Pressing Concern

Preferred Assistance Resources for Short-Term Operations
$6.8M (Grants); $7.3M TOTAL BUDGET including admin fees
Nonprofit Emergency Relief Fund Grants: $2M Budget

Round 1: Grants Awarded to Date (as of July 24, 2020)
Round 2 application deadline: Aug 7, 2020
Round 3: application deadline Sep 11, 2020

Number of Grants Awarded: 57
Total Amount Awarded: $585,868
Average Award: $10,278

Grants by Denver City Council District:
- District 2: 1
- District 3: 8
- District 4: 2
- District 5: 2
- District 6: 4
- District 7: 5
- District 8: 3
- District 9: 19
- District 10: 6
- Outside of City and County of Denver: 9

Serving Neighborhood Equity & Stabilization (NEST) Neighborhoods:
- Yes: 1 (1.75%)
- No: 56 (98.25%)

Awarded NPOs: Annual Revenue:
- < $100,000: 5 (8.33%)
- $100,000-$500,000: 15 (26.32%)
- $500,000-$1,999,999: 26 (45.61%)
- > $2,000,000: 11 (19.30%)

NPO: Non-Profit Organization. Data reported through grant applications.
For questions or more information, please email us at ERRC@DENVERGOV.ORG

For more information about Denver’s COVID-10 response, testing, and community support, visit denvergov.org/covid19